are concerned. As Life Guard argues, courts do not enjoin infringements of invalid patents.

As stated, the Court finds that the Coffey device infringes the Thomas patents. It follows from that finding that the Coffey patent is itself invalid. That invalidity follows as a matter of course if the validity of the Thomas patents is assumed. But even if the Thomas patents are not valid as against anyone other than Life Guard and those allied with it, the Coffey patent would not be helped. Assuming that the Thomas patents are invalid as to the general public, the device which they describe clearly anticipates the device covered by Coffey, and that device is also perhaps anticipated by the same prior art invoked by Life Guard for the purpose of defeating the Thomas patents.

On the issue of unfair competition the Court finds from a preponderance of the evidence that advertising materials used by Life Guard in connection with the sale of its device are deceptively similar to the materials used by Saf-T-Boom. Although the Court is not prepared to say, as Saf-T-Boom contends, that Life Guard actually photographed a machine equipped with Saf-T-Boom's device and circulated the picture as showing a boom guard of Life Guard's manufacture, the Court does find that the similarity which has been mentioned was not accidental, and that Life Guard has been guilty of unfair competition.

The Court does not find that Mr. Coffey or any other party to the case should be held guilty of contempt of court. While it is true that he did cause to be manufactured and sold an infringing device after he received his patent, the fact remains that in the course of the hearing on the motion to vacate the consent decree he revealed that he was processing a new application, and whether valid or invalid the Coffey patent was issued, and the Coffey device was not marketed until after that issuance.

Mr. Coffey is not a lawyer or even an engineer. He is a barber with a sideline interest in inventions, particularly boom guards. As a layman he may well have thought that if his device was novel enough to induce the Patent Office to patent it, he would be protected in its manufacture and sale as long as he stayed strictly within the claim of his patent. In the course of the May hearing of the case Mr. Coffey disavowed any intention to deliberately or contumaciously disobey any lawful order of this or any other court.

Saf-T-Boom is entitled to have the Court's original injunctive decree extended to include Life Guard as a corporation. It needs no further injunctive relief with respect to Coffey or the other original defendants in the case as far as infringement is concerned. However, the Court finds that there should be an injunction against further unfair competition. Normally, in the circumstances Saf-T-Boom would be entitled to a money judgment in some amount on account of Life Guard's infringements and unfair competition. However, the Court has the impression that a recovery of money from defendants is a secondary consideration of Saf-T-Boom, and in any event the Court does not feel that the evidence of record is sufficient to justify a monetary award either by way of royalties or otherwise.

Before closing this opinion the Court desires to make it abundantly clear to Mr. Coffey and to such other involved individuals as may be affected that the considerations which have moved the Court not to find Coffey guilty of contempt would seem to have no validity as far as future infringing conduct is concerned. Mr. Coffey and his associates now know that the Coffey patent is invalid, and they know also that they have no standing to assail the Thomas patents. Hence, if they resume the manufacture of boom guards, either individually or collectively, di-

JOHN F. DAVIS, CLERK

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1966.

No. 756.

CRANE BOOM LIFE GUARD CO., INC., NEL EPPERSON, FREDA EPPERSON, C. E. HAILE, PAULINE HAILE, OSRO COBB, C. H. SAWSOM and S. A. COFFEY,
Petitioners,

vs.

SAF-T-BOOM CORPORATION, C. H. EARL and ARTHUR J. THOMAS,
Respondents.

MEMORANDUM

For Saf-T-Boom Corporation, C. H. Earl and Arthur J. Thomas, Respondents.

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SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1966.

No. 796.

CRANE BOOM LIFE GUARD CO., INC., MEL EPPERSON, FREDA EPPERSON, C. E. HAILE, PAULINE HAILE, OSRO COBB, C. H. SANSOM and S. A. COFFEY,
Petitioners,

vs.

SAF-T-BOOM CORPORATION, C. H. EARL and ARTHUR J. THOMAS,
Respondents.

MEMORANDUM

For Saf-T-Boom Corporation, C. H. Earl and Arthur J. Thomas, Respondents.

The respondents would respectfully say to the Court that, as respondents, they are aware that inconsistent opinions of the Courts of Appeals, either among themselves, or with the decisions of this Court, are not always a prerequisite for this Court's taking jurisdiction for the purpose of directing writs to the inferior courts, but the Petitioner in this case has grounded his claim for jurisdiction on the premise that the opinion in the case of **Addressograph-Multigraph Corp. v. Cooper** (C. A. 2), 156 F. 2d 483, and

the opinion of this Court in the case of **United States v. International Building Co.**, 345 U. S. 502, are inconsistent and that by virtue of such, this Court has jurisdiction. Respondents' sole theme in this, its objection to the Court's jurisdiction, would be that the opinion in these two cases are not inconsistent and that neither of them has any bearing upon the question of whether or not the Decree entered by the United States District Court for the Eastern District of Arkansas, as affirmed in the Eighth Circuit Court of Appeals in Case No. 18,209 styled Crane Boom Life Guard Company, Inc., et al. v. Safety Boom Corporation, et al., was a proper and valid adjudication.

In the case of **Addressograph-Multigraph Corp. v. Cooper**, supra, it was alleged in the District Court that a former adjudication was res adjudicata and that the Defendants were estopped by Virtue thereof from contesting the validity of certain patents. The former Decree in that case was as follows:

> "That, whereas the defendants have represented that they have merely furnished to others printing plates employing the invention covered by said Letters Patent as claimed therein, but that they have not made or sold the aforesaid printing plates and have no intention of making, using or selling such printing plates, plaintiff has waived the issuance of an injunction against, and an accounting by, the defendants, Eva Cooper and Milton Berg, and each of them."

The Court of Appeals, in referring to such Consent Decree and in affirming the District Court in holding the entry of such did not estop the Defendants, said:

> "* * * But the court below concluded that the consent decree in the prior suit was invalid as a matter of law for the reason that infringement was not adjudicated therein, and hence that it did not estop any of

the defendants from later contesting the validity of the patent. It found that there was no trial in the former suit nor any adjudication therein on the merits as to the validity of the patent; that the consent decree, although it did not give the defendants any relief, provided for the payment of costs to them; that it did not provide for any injunction or accounting, and that it did not disclose that there had been any infringement of the plaintiff's patent. 'On the contrary,' it found, 'the evidence discloses that the defendants rejected a proposed consent decree submitted by plaintiff to them because it contained an allegation that they infringed the patent. The consent decree, therefore, submitted by the plaintiff to the defendants and signed by them does not contain any allegation of infringement.' And it found 'If the defendants in the prior suit did not infringe at the time said consent decree was entered, they were not seriously interested in any adjudication of the validity of the patent.' On these findings the court below concluded that the consent decree in the prior suit adjudicating the patent to be valid could not be sustained. In other words, the court below held as a general proposition of law that an adjudication of the validity of a patent, unless accompanied by an adjudication of infringement, is invalid and will not estop a defendant from later contesting the validity of the same patent in another suit for infringement brought by the same plaintiff.

"We agree with the District Court that the issue of infringement was not adjudicated one way or the other by the decree in the former suit. * * *"

In the case at bar, after a partial trial of the case and during the course of such, the parties announced to the Court that they had agreed upon a decree and the Court accordingly entered a decree enjoining the infringements

of the respondents' patents. That portion of the decree is as follows:

> "It Is Therefore Considered, Ordered, Adjudged and Decreed by the Court in accordance with the agreement and consent of the parties announced to the Court, that the defendants, and each of them be and they hereby are permanently enjoined from infringing United States patents Nos. 2,900,016 and 2,289,194." (Page 33 of Petition, Appendix C.)

Again in the supplemental decree of the United States District Court entered on July 15, 1965, it is said:

> "That Crane Boom Life Guard Company, Inc., which is now a party to this litigation, together with its officers, agents, employees, and servants and all other persons, firms and corporations in privity with it, be and they hereby are, perpetually restrained and enjoined from infringing the aforementioned Letters Patent.
>
> "That without limiting the scope of the original consent decree or of this decree, the parties affected by the Court's injunctions herein are specifically restrained and enjoined from infringing the aforementioned Letters Patent by directly or indirectly manufacturing, selling or using the crane boom guard device described and covered by United States Letters Patent No. 3,100,575, the so-called Coffey Patent, which patent the Court now holds and declares to be invalid.
>
> "That without limiting or diminishing the force of the original consent decree herein or of this decree enjoining patent infringement as aforesaid, the parties affected by said injunctions and all in privity with such parties are additionally perpetually restrained and enjoined from engaging in unfair competition with plaintiff, Saf-T-Boom Corporation, in the sale

of crane boom guard devices; that is to say, such parties and their privies are perpetually restrained and enjoined from selling or offering for sale any crane boom guards on the pretense that they have been manufactured by Saf-T-Boom Corporation, from selling or offering for sale any crane boom guards deceptively similar to devices manufactured by Saf-T-Boom Corporation, and from using advertising matter or other materials deceptively similar to such matter or materials employed by Saf-T-Boom Corporation which depict pictorially or otherwise, a crane boom guard device deceptively similar to the device manufactured by Saf-T-Boom'' (Pages 43-44, Appendix E, Petition).

So it is obvious that the validity of the Respondents' patents have been litigated twice and the United States District Court, on both occasions, held that the patents were valid and that the Petitioners were enjoined from infringing them. This is a far cry from the formal non-binding consent decree entered in **Addressograph-Multigraph Corp.**

In **United States v. International Building Co.**, supra, which decision is alleged to be inconsistent with Addressograph-Multigraph, the facts were that the Commissioner of Revenues of the United States assessed deficiencies against a Missouri corporation for the years 1933, 1938 and 1939, alleging that certain properties owned by the taxpayer were improperly depreciated. Later, the taxpayer and the collector of revenues agreed upon a compromise and the tax court proceedings were dismissed upon a finding that there was no deficiency tax due for the years specified. Later on, assessments were made for taxes due for the years 1943, 1944 and 1945 based on the same alleged improper manner of depreciation allowances and the taxpayer pled that the dismissal of the assessments for the years 1933, 1938 and 1939 amounted

to a decision on the merits that the proper depreciation method was used for those years and hence, the matter was res adjudicata as to the taxes allegedly due in the years 1943, 1944 and 1945. The Court, in holding that there was no res adjudicata or estoppel in the matter said:

> "We conclude that the decisions entered by the Tax Court for the years 1933, 1938 and 1939 were only a *pro forma* acceptance by the Tax Court of an agreement between the parties to settle their controversy for reasons undisclosed. There is no showing either in the record or by extrinsic evidence, see Russell v. Place, 94 U. S. 606, 608, 24 L. Ed. 214, that the issues raised by the pleadings were submitted to the Tax Court for determination or determined by that court. They may or may not have been agreed upon by the parties. Perhaps, as the Court of Appeals inferred, the parties did agree on the basis for depreciation. Perhaps the settlement was made for a different reason, for some exigency arising out of the bankruptcy proceeding. As the case reaches us, we are unable to tell whether the agreement of the parties was based on the merits or on some collateral consideration.
>
> "Certainly the judgments entered are *res judicata* of the tax claims for the years 1933, 1938, and 1939, whether or not the basis of the agreements on which they rest reached the merits. But unless we can say that they were an adjudication of the merits, the doctrine of estoppel by judgment would serve an unjust cause: it would become a device by which a decision not shown to be on the merits would forever foreclose inquiry into the merits. Estoppel by judgment includes matters in a second proceeding which were actually presented and determined in an earlier suit. See Commissioner v. Sunnen, supra, 333 U. S. at page 598, 68 S. Ct. at page 719. A judgment en-

tered with the consent of the parties may involve a determination of questions of fact and law by the court. But unless a showing is made that that was the case, the judgment has no greater dignity, so far as collateral estoppel is concerned, than any judgment entered only as a compromise of the parties."

Hence, it will be seen that there is no possible conflict in the decisions of the two cases in certiorari and in the absence of such, it is respectfully submitted that the writ of certiorari should not be issued.

Respectfully submitted,

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